



Rhode Island Efficient Buildings Fund Frequently Asked Questions

Version 1 – December 7, 2015

1. What is the Efficient Buildings Fund?

In 2015, Chapter 46-12.2 of Rhode Island General Laws created the Rhode Island Infrastructure Bank (RIIB), formerly the Rhode Island Clean Water Finance Agency, to serve as the central hub for existing and new green infrastructure financing initiatives. Established under Chapter 46-12.2-4.2, the Efficient Buildings Fund (EBF) is a revolving loan fund administered by RIIB that will finance energy efficiency and renewable energy projects in municipally owned buildings and school facilities as well as quasi-governmental agency buildings. The purpose of this program is to provide financial assistance in the form of municipal lease obligations to local governmental units for deep energy savings projects where the annual energy savings achieved by the project exceed the annual debt service.

2. What entities are eligible?

Currently, eligible entities are local governmental units, which include municipalities, public schools, and quasi-state agencies.

3. What types of projects are eligible?

Only projects that have been scored and ranked on the Project Priority List, which is maintained by the Rhode Island Office of Energy Resources, are eligible for financial assistance through the EBF. All projects must be located in publicly owned facilities. All projects must be cost-effective, meaning that the savings can cover the debt service.

Eligible energy efficiency projects include those that consist of multiple energy efficiency measures, which are defined by the *"Rules and Regulations for the Efficient Buildings Fund Project Priority List"* as equipment or technology that reduce energy consumption. Examples include lighting, controls, mechanical systems, HVAC equipment, motors and drives, LED streetlights, etc.

Eligible renewable energy projects include solar photovoltaic systems, battery back-up systems, and wind systems 100kW or greater with a direct drive nacelle.

4. What types of energy efficiency projects will score well?

Comprehensive projects that include a good balance of electric, heating and non-lighting measures, and achieve at least a 20% reduction in total energy usage of the facilities will score well. Applicants that propose both energy efficiency and renewable energy projects will receive additional points. Applicants in Distressed Communities will also receive additional points.

5. Are previously completed projects eligible?

Per the *"Efficient Buildings Fund Policies and Procedures"*, previously completed projects are eligible for financing, however, they will be placed at the bottom of the Project Priority List.

For energy efficiency projects, measures implemented within the last two years can be counted toward the energy efficiency evaluation criteria, but would not receive financing. For example, LED lighting installed last year could be included in your proposal as part of a larger energy efficiency project.

6. Are new construction projects eligible?

No. The EBF is intended to support projects that reduce existing energy loads.

7. For energy efficiency projects, is a savings guarantee required?

No. A savings guarantee is not required, therefore, a performance contract is not necessary. However, we are looking for “paid-from-savings” projects, where the annual energy savings of the project can cover the annual debt service.

8. What is the energy audit process for energy efficiency projects?

For the first round of funding, we are offering free technical energy audits as available funding allows. To sign up, contact Jerry Drummond with National Grid at jerry.drummond@nationalgrid.com. If the facilities you would like to audit are not within National Grid’s territory, contact Rachel Sholly with the Office of Energy Resources at rachel.sholly@energy.ri.gov. The deadline to sign up is December 10, 2015.

We understand that this is a very short timeframe in which to complete technical energy audits. For this reason, only ASHRAE Level I analysis is necessary for the Project Priority List application. If needed, ASHRAE Level II analysis will be required after preliminary approval when RIIB conducts its financial analysis. ASHRAE Level definitions and other useful information can be found in the U.S. Department of Energy’s “A Guide to Energy Audits” at http://www.pnnl.gov/main/publications/external/technical_reports/pnnl-20956.pdf.

9. Are renewable energy technologies other than solar PV and wind eligible?

If you are interested in proposing a project featuring a renewable energy technology other than solar PV or wind, contact Shauna Beland (Shauna.Beland@energy.ri.gov) with the Office of Energy Resources.

10. How much funding is available?

Approximately \$25 million in capital will be available in the first round of funding. Levels of funding available in subsequent rounds will depend on the level of demand.

11. Is there a cap on the amount of funding that can be requested?

There is no limit to the amount of funding that can be requested in an application. Applicants are encouraged to propose comprehensive, multi-facility projects. If a project is ranked high on the Project Priority List but is too large to be fully funded, RIIB and OER will work with the applicant to revise the scope to better align with funding availability, keeping in mind the goals of the EBF.

12. What is the financial structure of the loan?

Financing will be provided in the form of a municipal lease up to a 20-year term. Sources of repayment include an appropriations pledge, projected project energy savings, general revenues of other dedicated sources of revenue. The application period for financing will open in February 2016.

13. Is there an interest rate subsidy?

The RIIB is committed to making this an affordable program to borrowers. We are actively studying how to achieve this goal, perhaps by subsidizing interest rates and/or reducing fees.

14. When and how will we be notified of award and when will funds become available?

Upon receiving the final Project Priority List from OER in February 2016, the financial application period will open and RIIB will immediately engage borrowers at the top of the list. The RIIB Board will grant preliminary approval to borrowers in March 2016. Once the final technical energy audit reports are submitted, RIIB will conduct financial analyses and give final approval in April 2016. Funds are expected to be available to borrowers in June 2016. This timeline is subject to change.

15. What if I do not get financing this round?

Applicants may submit the same application, or an updated version, in the next round. The Project Priority List will be updated with each round of funding and, therefore, your project will be re-ranked.

16. For school projects, how does the EBF work with the Housing Aid Program and the School Building Authority Capital Fund?

Please refer to related guidance issued by the Rhode Island Department of Education.

17. Who will own the asset(s) at the end of the lease?

The applicant, a local governmental unit, will own the assets after the termination of the lease agreement.

18. Do labor law requirements such as Davis Bacon apply to these projects?

The State of Rhode Island's prevailing wage requirement does apply, but federal labor requirements such as Davis Bacon do not apply as no federal funds are being used.